

EXHIBIT A

Milbank

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VIA EMAIL

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Re: Commonwealth Assets & Cash Rule 2004 Requests

Counsel:

I write on behalf of Ambac¹ in connection with its Assets and Cash Rule 2004 Requests.

Assets Rule 2004 Requests

(1) Category No. 1: Assets (current and transferred/encumbered)

- *Documents sufficient to show, from January 1, 2015 to the present, the alienation or encumbrance of any assets held by the Commonwealth or its instrumentalities.*
- *A list of the Commonwealth's current assets.*

Prioritized Commonwealth Assets. In response to Ambac's February 25, 2021 request for documents sufficient to show the terms of any leases for the Prioritized Commonwealth Assets, including copies of the most recent lease agreements related to the Prioritized Commonwealth Assets, AAFAF advised during the Parties' March 2, 2021 telephonic meet-and-confer (the "March 2 Meet-and-Confer") and through its letter to Ambac dated March 4, 2021 (the "March 4 Letter") that it objects to conducting searches for such documents. AAFAF also indicated that it objects to any attempt by Ambac to seek deposition testimony on this issue. As reflected in the

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the *Joint Status Report of Ambac Assurance Corporation and the Financial Oversight and Management Board for Puerto Rico, as Representative of the Commonwealth of Puerto Rico, and the Puerto Rico Fiscal Agency and Financial Advisory Authority Pursuant to the Court's February 16, 2021 Order* [ECF No. 15930] (the "March 4 Joint Status Report").

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March 4 Joint Status Report, Ambac and AAFAF agreed that they have reached an impasse on these issues, and Ambac reserves all rights to seek judicial intervention to compel discovery.

Ad Valorem Taxes / Tax Arrears. In its letter to AAFAF dated February 25, 2021, Ambac requested, *inter alia*: (i) an update regarding AAFAF's investigation of Ambac's January 11, 2021 requests for information regarding statements made in CRIM's fiscal plan and information regarding tax liens; (ii) documents and communications related to a 2017 third-party offer to purchase CRIM's tax arrears portfolio for \$400 million; (iii) information and documents concerning CRIM's ongoing efforts to value and monetize its tax arrears and liens portfolio in connection with the RFP and addendum issued by AAFAF and CRIM, including (without limitation) responses submitted by external parties in response to the RFP or addendum; and (iv) documents and communications regarding how the \$400 million estimated value of CRIM's accounts receivable portfolio set forth in CRIM's fiscal plan was determined.

During the March 2 Meet-and-Confer and the March 4 Letter, AAFAF indicated that it objects to Ambac's inquiries and requests and advised that it would not produce any information or documents in response.² AAFAF also advised that it would object to any request by Ambac to seek deposition testimony from AAFAF or CRIM related to these issues. As reflected in the March 4 Joint Status Report, Ambac and AAFAF agreed that they have reached an impasse on these issues, and Ambac reserves all rights to seek judicial intervention to compel discovery regarding these issues.

Cash Rule 2004 Requests

During the March 2 Meet-and-Confer, the Board advised that it would provide a written response regarding outstanding issues related to the Cash Rule 2004 Requests. Ambac requests an update as to when the Board's written response will be available.

(1) Category Nos. 1 and 2: Presentation and Investigation Documents

- All documents relied upon in connection with the "Summary of Cash Restriction Analysis" presentation, dated October 2, 2019 and the "Bank Account Analysis: Status Update – June 30, 2019 Balances" presentation, dated as of October 2, 2019, including documents sufficient to identify the processes and assumptions underlying the Cash Restriction Analysis and any iterative changes in the analysis over time.
- All documents relied upon in connection with Duff & Phelps' and/or Ernst & Young's investigation into the cash at government and fiscal plan entities, certain other Title III debtors, and UPR, including but not limited to instructions provided to Duff & Phelps and/or Ernst & Young regarding categorization and restrictions.

Inventory of Central Government's Bank Accounts. During the March 2 Meet-and-Confer, the Board advised that it had identified a further inventory used as part of the cash

² One exception is that in its March 4 Letter, AAFAF provided clarification in response to Ambac's inquiry regarding the definition of "delinquent real property taxes" as used in Exhibit 13 to the CRIM fiscal plan.

restriction analysis that it would produce to Ambac. Ambac requests an update on the status of the Board's production of this document.

Categories of Bank Accounts Purportedly Containing Restricted Funds. During the March 2 Meet-and-Confer, the Board requested that Ambac clarify its request for the identification of documents underlying the Duff & Phelps Report that relate to the nine categories of bank accounts Ambac identified on November 25, 2020 and January 11, 2021 that, per the Amended Disclosure Statement and/or the December 2020 Presentation, purportedly contain restricted funds. Ambac advised that it has experienced substantial difficulties attempting to identify documents underlying the Duff & Phelps Report that purportedly support restrictions on these categories of accounts because the documents underlying the Duff & Phelps Report were not categorized by account when produced. The Board agreed to take Ambac's request under advisement. Ambac requests an update on this issue.

Calculation Back-Up for Amended Disclosure Statement. During the March 2 Meet-and-Confer, the Board advised that it had located an additional Calculation Back-Up document related to the Amended Disclosure Statement and would endeavor to produce that document promptly. Ambac requests an update on the Board's anticipated production.

December 2020 Presentation. On March 5, 2021, the Board produced factual source materials and raw data underlying the December 2020 Presentation. Ambac's review and analysis of the Board's production is ongoing. During the March 2 Meet-and-Confer, at the Board's request, Ambac clarified the materials and information it is seeking through each of its February 25, 2021 follow-up requests related to the December 2020 Presentation. Ambac requests an update regarding the Board's consideration of these follow-up requests.

October 30, 2020 Presentation. During the March 2 Meet-and-Confer, the Board advised that it would provide a written response to Ambac's request for information regarding the relationship between the October 30, 2020 Presentation and the December 2020 Presentation within a week or two. Ambac requests an update regarding when the Board will provide its written response on this issue.

March 2021 Disclosure Statement.³ During the March 2 Meet-and-Confer, the Board advised that an updated cash restriction analysis would be filed on March 8, 2021 in connection with the March 2021 Disclosure Statement. Ambac's review and analysis of the Board's cash restriction analysis in the March 2021 Disclosure Statement is ongoing, but Ambac requests the following materials and information related to or referenced in the March 2021 Disclosure Statement:

- Ambac requests production of back-up materials related to the portion of the March 2021 Disclosure Statement, including Exhibit J thereto, concerning the Board's cash restriction analysis, including (without limitation) factual source materials and raw data underlying pages 128-38 of the March 2021 Disclosure Statement and Exhibit J, as well as production of the "over 1,800 newly obtained documents from governmental entities regarding

³ "March 2021 Disclosure Statement" refers to the *Disclosure Statement for the Second Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al. (Corrected)* [ECF No. 15988].

account classifications” that were reviewed in connection with the March 2021 Disclosure Statement. (See March 2021 Disclosure Statement at 132.) Additionally, Ambac requests that such materials be categorized by account when produced, consistent with the categorization done in connection with the factual source materials and raw data underlying the October 2019 Presentations, Amended Disclosure Statement, and December 2020 Presentation that were previously produced. During the March 2 Meet-and-Confer, the Board advised that it was amenable to these requests.

- Relatedly, the March 2021 Disclosure Statement states that the Board’s ongoing cash restriction analysis “included the collection, processing, and review of over 9,000 documents provided by financial institutions, agencies, and other government entities[,]” including account statements, restriction information, signatory information, agency information, structure documentation, and grant information. (*Id.* at 129-30.) To date, the Board has produced approximately 16,000 documents in response to Ambac’s requests for back-up materials related to the Duff & Phelps Report, October 2019 Presentations, Amended Disclosure Statement, and December 2020 Presentation (*i.e.*, the previous five iterations of the cash restriction analysis). Ambac requests confirmation that the “over 9,000 documents” described above: (i) have been produced in response to Ambac’s request for back-up materials related to the previous five iterations of the cash restriction analysis; or (ii) will be produced in response to Ambac’s request herein for back-up materials related to the portion of the March 2021 Disclosure Statement, including Exhibit J thereto, concerning the Board’s cash restriction analysis. Additionally, Ambac requests clarification regarding the discrepancy between the “over 9,000 documents” that were purportedly collected, processed, and reviewed in connection with the Board’s ongoing cash restriction analysis, and the approximately 16,000 back-up materials produced to date.
- Ambac also requests any Calculation Back-Up documents related to the portion of the March 2021 Disclosure Statement, including Exhibit J, concerning the Board’s cash restriction analysis, including (without limitation) a version of Exhibit J to the March 2021 Disclosure Statement identifying the full account numbers for each of the accounts listed therein, similar to the version of Exhibit J to the Amended Disclosure Statement that was previously produced (*see Ambac_Cash_2004 0092818*). During the March 2 Meet-and-Confer, the Board advised that it was amenable to this request.
- Additionally, Ambac requests documents regarding any previous, ongoing, completed, or contemplated efforts to obtain external financing for the PREPA/LUMA transaction (the “LUMA Funding Requirement”) (see March 2021 Disclosure Statement at 142), including any discussion or analysis regarding the costs associated with satisfying the LUMA Funding Requirement using external financing.

(2) Category No. 4: Document Key

- *A “key” to the documents produced that would allow parties to replicate the cash restriction analysis performed in connection with the presentations described above, including the relevant identifying information for each document (i.e., Bates numbers).*

During the March 2 Meet-and-Confer, the Board advised that it is still in the process of creating a “key” matching up the Duff & Phelps identifiers that correspond to each bank account reviewed in connection with the cash restriction analysis with the Ernst & Young identifiers corresponding to each such bank account. Ambac requests an update regarding when the Board anticipates that it will be able to produce this “key.”

Very truly yours,

/s/ Jonathan Ohring
Jonathan Ohring

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